

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
INBOUND PARCEL POST (AT UPU RATES)

Docket No. CP2017-267

**NOTICE OF THE UNITED STATES POSTAL SERVICE  
OF FILING REVISED FINANCIAL WORKPAPERS [ERRATUM]**  
(August 17, 2017)

The United States Postal Service (Postal Service) hereby provides this Notice of the filing of revised financial workpapers in further support of the Notice that the Postal Service filed in this docket on August 15, 2017, to seek the Commission's approval of new ECOMPRO Inbound Air Parcel Post rates.

For rates in effect during the current calendar year 2017, the ECOMPRO rates have been fixed by the Universal Postal Union (UPU) at intervals of every six months. The Commission first approved the Postal Service's inaugural inbound ECOMPRO rates effective January 22, 2017,<sup>1</sup> and subsequently the Commission approved the currently effective ECOMPRO rates for the period that commenced on July 1, 2017.<sup>2</sup>

However, going forward, the UPU will be changing its process for ECOMPRO. For the ECOMPRO rates to take effect on January 1, 2018, the UPU will provide notice to member countries' posts by Circular of the new ECOMPRO rates only once a year (not twice), such that those UPU rates are expected to remain in effect for twelve months, not only six.

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<sup>1</sup> See PRC Order No. 3748, Order Approving in Part Classification Changes for Inbound Parcel Post (at UPU Rates), Docket Nos. MC2017-58 & CP2017-86, January 11, 2017, at 10.

<sup>2</sup> See PRC Order No. 3985, Order Acknowledging Changes in Prices for Inbound Parcel Post (at UPU Rates), Docket No. CP2017-214, June 29, 2017, at 4-5.

As a result, the Postal Service's proposed new inbound ECOMPRO rates for which it seeks Commission approval in this docket are intended to take effect on January 1, 2018, and are expected to remain in effect for at least twelve months. In the original financial workpapers that the Postal Service filed on August 15, the model was premised upon the proposed new rates being in effect (if approved by the Commission) for only six months, commencing on January 1, 2018. To more accurately reflect the fact that these new ECOMPRO rates are expected to remain in effect for at least twelve months, the Postal Service is today filing the revised financial workpapers in this docket. The only change to the model is the increase in the anticipated period from six months to twelve months. This has the effect of exactly doubling both the revenues and costs. Because both are doubled, the resulting cost coverage in the revised financial workpapers being filed today is exactly the same as the cost coverage in the original workpapers filed on August 15.

A redacted copy of the revised financial workpapers accompanies the public filing of today's Notice. An unredacted copy of the revised financial workpapers is being filed today under seal. The Postal Service maintains that the redacted portions should remain confidential, and the Postal Service incorporates by reference its Application for Non-Public Treatment that it filed as Attachment 1 to its Notice of August 15. In addition, a certification pursuant to 39 C.F.R. § 3015.5(c)(2) regarding the revised financial workpapers is included as Attachment 1 to today's Notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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## **Certification of Prices for ECOMPRO Inbound Parcel Post (at UPU Rates)**

I, Steven R. Phelps, Manager of Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for “ECOMPRO” Inbound Parcel Post (at UPU Rates), to be in effect as of January 1, 2018. These prices were authorized by the Decision of the Governors of the United States Postal Service on Changes in Rates and Classes for Inbound Parcel Post (at UPU Rates), issued June 18, 2014 (Governors’ Decision No. 14-04), and by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued on March 22, 2011 (Governors’ Decision No. 11-6).

I hereby certify that the numerical cost values underlying the new prices for ECOMPRO Inbound Parcel Post (at UPU Rates) are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors’ Decision No. 11-6, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that ECOMPRO Inbound Parcel Post (at UPU Rates) should cover its attributable costs and preclude the subsidization of competitive products by market-dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from ECOMPRO Inbound Parcel Post (at UPU Rates) should be even smaller. ECOMPRO Inbound Parcel Post (at UPU Rates) should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven Phelps**

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Steven R. Phelps